

MICHIGAN FINANCIAL SERVICES ASSOCIATION

OUTLINE OF TESTIMONY ON HB 5497

A. Description of Bill

HB 5497 would exempt limited lines credit insurance producers from the continuing education requirements of Sec 1204c of the Insurance Code. This would make Michigan's requirements for such producers compatible with requirements in virtually all other states.

B. Brief History

In 2001 the Legislature enacted Public Act 228, which adopted model legislation on insurance producer licensing drafted by the National Association of Insurance Commissioners (NAIC). The NAIC model was enacted in many states and included special provisions for limited lines credit insurance producers. Because of the narrow area of expertise for limited lines insurance producers, the legislation included less extensive pre-licensing and post-licensing educational requirements. The vast majority of states that adopted the model legislation have waived, administratively or by statute, the continuing education requirements for limited lines credit insurance producers. The OFIS Commissioner does not have the authority to waive the requirements administratively and therefore an amendment to the Insurance Code is necessary.

C. Wrap-up

We have discussed the legislation with OFIS staff and it is our understanding that they support the bill.